

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**ENGLEWOOD ON THE PALISADES
CHARTER SCHOOL**

JUNE 30, 2014

PREPARED BY

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
BERGEN COUNTY**

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INTRODUCTORY SECTION

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

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DR. SHIRL BURNS
PRINCIPAL

November 18, 2014

Commissioner
New Jersey Department of Education
100 Riverview Executive Plaza
CN – 500
Trenton, New Jersey 08625-0500

Dear Commissioner:

We hereby submit the Comprehensive Annual Financial Report of Englewood on the Palisades Charter School (the "Charter School") for the fiscal year ended June 30, 2014. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to fairly present the financial position and result of operations of the various funds and account groups of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, the basic financial statements, required supplementary information and other supplementary information, as well as the auditor's report thereon. The statistical section includes ten unaudited fiscal years of data. The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations*", and the New Jersey OMB Circular Letter 04-04, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES**

The Charter School is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the Charter School are included in this report.

The Charter School provides a full range of educational services appropriate to grade levels K through 5. This includes regular and special needs student enrollment. We do accept special education and handicapped children if appropriate application is made to the Charter School as required by law. The Charter School completed the 2013-2014 fiscal year with an average daily enrollment of 178 students, which is 4 students less than the previous year's enrollment. The following details the changes in student enrollment of the school over the last three years.

Year	Enrollment	Change
2013-2014	196	10.11%
2012-2013	178	-2.21%
2011-2012	181	-8.29%
2010-2011	196	-0.02%
2009-2010	199	9.30%
2008-2009	182	3.74%
2007-2008	175	-5.88%
2006-2007	186	1.07%
2005-2006	184	3.74%
2004-2005	177	-5.35%

2) **ECONOMIC CONDITION AND OUTLOOK**

The Charter School concept is experiencing a period of development and expansion which is expected to continue. This expansion is expected to continue which suggests that the Charter School will continue to prosper. As stated in our prior year report, we are not able to accommodate sixth grade this year. The school continues its effort to locate a viable and affordable facility and in that respect and has initiated meetings with the Englewood planning Board, Pastor Taylor and our architects to reach an agreement on the process. This new facility will facilitate expansion through eighth grade.

Major Initiatives

The EPCS actively demonstrates its commitment to each student. The classrooms are supportive places where all students are able to express their ideas, explore concepts, think creatively, and develop the critical thinking skills needed to be successful. Encouragement for student growth academically, socially and emotionally is embedded in the curriculum and in daily school activities.

The overall philosophy of EPCS is best represented by the adage "I hear and I forget; I see and I remember; I do, and I understand". This philosophy is implemented through the "key strands of the environment for the learning community" as stated in the charter. They include: active in-depth learning, emphasis on authentic performance, attention to development, appreciation of diversity, opportunities for collaborative learning, collective perspective across the school, structures for caring, support for democratic learning and connections to family and community.

EPCS is currently utilizing the services of curriculum specialist who is providing recommendations to ensure continuity of the curriculum and student learning within each grade level and between grade levels. Additionally, the Curriculum and Curriculum Maps updates will include the Common Core State Standards. In Language Arts and Mathematics and the new mathematics program (Every Day Math) introduced this year.

Each student has an Individual Learning and Growth Plan (ILGP) as identified in the charter outlining the academic plans for that student for the school year. The plan begins with an analysis of the results of the Stanford 10 Assessment that is administered at the end of the previous school year. Teachers note areas of achievement and areas of deficiency for use in the development of lesson plans and activities for each child. Gaps in a students' knowledge base are addressed. Currently all students participate in placement tests for Language Arts and Mathematics at the start of each school year. From the results of these tests teachers utilize Item Analysis Assessments for each student identifying deficient areas. During the school year teachers monitor student assessment results through a detailed list of skills and knowledge that corresponds to the curriculum and the text. These checklists are updated at least once each quarter and are discussed with parents at the report card conferences.

There is a school wide tutoring program in place that provides students remediation and enrichment in Language Arts, Mathematics and Science and preparation for the state assessments.

Communication with parents is also critical to student success. Each marking period parents and teachers meet to discuss the child's progress. All parents participate in this process. Teachers are required to communicate with parents regarding each student's academic growth and needs. (Teachers of "Specials" are required to communicate at least once each quarter). Currently communication is primarily through letters/flyers sent home, personal and group conferences and through phone calls. The school requires teachers to keep a monthly contact log for all communication with parents/guardians and submit it monthly to the Principal. EPCS is

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currently upgrading its website and will add email access for all participants which will enhance communication within the school community.

The Englewood on the Palisades Charter School curriculum enables students to think logically and creatively; understand and participate in meaningful lessons; formulate and answer questions, and search for, organize, evaluate, and apply information. The curriculum was developed for the students to capture the experiences needed to grow intellectually, socially, and emotionally. These objectives are intended to promote the students' capabilities and to use these skills individually and in groups.

Along with other teacher made materials, this year we continued to utilize New Jersey ASK Workbooks in Language Arts, Mathematics and Science. The use of these materials helped prepare the 2nd through 5th grade students for standardized testing. Additional materials, including Wordly Wise, Junior Great Books and Study Island are used to supplement the curriculum and provide additional support for at risk students.

EPCS actively demonstrates its commitment to each student. The classrooms are supportive places where all students are able to express their ideas, explore concepts, think creatively, and develop the critical thinking skills needed to be successful. Encouragement for student growth academically, socially and emotionally is embedded in the curriculum and in daily school activities.

The EPCS' goals for the third through fifth grade students were to meet or exceed the Adequate Yearly Progress indicators as mandated by the Department of Education. In preparation for the upcoming school year the third, fourth and fifth grade teachers received a copy of their students' previous NJ ASK test results. The results were reviewed and analyzed by the teachers. This allowed the teachers to plan for the upcoming school year based on the needs of their students as a group and individually. The second grades teachers also utilized the New Jersey ASK preparation materials as an introduction to the testing format. In addition, during Common Core Planning Meetings, the second through fifth grade teachers discussed and created a scope and sequence for writing, which was used to enhance our student's test-taking skills.

Administration used the results of each sub group to evaluate our school's proficiency in Language Arts and Mathematics in comparison to the statewide benchmarks. At this time the school has reviewed its procedures for assessing academic goals and objectives in the testing areas. Due to the overall scores that were received in the area of Language Arts, individual grade Corrective Action Plans were developed by the 3rd through 5th grade teachers, in addition to school wide Professional Development training for all staff in the core subject of Language Arts; and specifically in the area of writing.

Englewood on the Palisades Charter School made School-Wide AYP each year meeting all 40 indicators as required by the NJDOE and *No Child Left Behind*. The school continues to review, and if necessary revise any instructional programs and services, (as stated above) to bring students'

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proficiency levels at and above the state's benchmark in the areas of Language Arts Literacy, Mathematics and Science.

To maintain and improve our testing results, EPCS will also continue to offer the following programs for our students.

These programs include;

1. Study Island computer based programs for 2nd through 5th grades to emphasize math, writing and science skills.
2. Everyday Math program.
3. Renaissance Learning; comprehensive computerized reading assessment program.

The results of the 2013-2014 NJASK Test are as follows:

Grade 3

Language Arts Literacy	61.90%
Mathematics	81.00%

Grade 4

Language Arts Literacy	37.00%
Mathematics	77.80%
Science	88.90%

Grade 5

Language Arts Literacy	75.10%
Mathematics	95.00%

In an effort to maintain and improve results, EPCS offers the following Professional Development to our staff:

1. On-going workshops on how to use and implement our new Reading Street 2014 Language Arts program.
2. On-going workshops on how to use and implement our new Renaissance Learning Reading comprehensive student based assessment program.
3. Provide opportunities for NJASK testing grades to attend workshops that will focus on testing strategies that could be used across all grade levels in Writing, Reading and Mathematics to ensure growth.

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Innovative/Exemplary Programs and Practices

The Englewood on the Palisades Charter School will continue to use the following innovative programs and practices:

The Lorraine Monroe Leadership Institute Black Board Configuration

Program Description: The Black Board Configuration is used to get students into the room, settled down, ready to learn and to work. The configuration introduces the students to what they will be learning in class and if used properly, a structured format to transition into a different subject area or concept. It is a visual representation of the teacher's commitment to instruction. It reflects the teacher's plan for a lesson, and it helps both the teacher and students to be organized and stay focused.

Extent of the Program: Kindergarten – fifth grade

Impact on Student Achievement: The configuration improves school tone, strengthens teachers' skills in planning and pacing and standardizes students' expectations school-wide. It provides leaders with a management tool that makes daily observation possible and meaningful and provides students with an example of how to organize and plan. We have found that the blackboard configuration format has increased our student achievement.

The Marva Collins Educational Program and Philosophy

Program Description: The Marva Collins program and methodology is based on the Socratic Method. The Socratic Method teaches by using a series of questions and answers by which the logical soundness of a definition, or a point of view, or the meaning of a concept, is tested. The Socratic Method is based on logical analysis; consequently, it develops superb reasoning skills in students.

Extent of the Program: Kindergarten – fifth grade

Impact on Student Achievement: The Marva Collins methodology of teaching has the advantage of establishing an intellectual environment that promotes the gaining of textual information, conversational information, vocabulary building, idea building, idea sharing and expansion, and it demands the attention of all participants. It alleviates guessing. It teaches abstract thinking. Critical thinking involves a general attitude of questioning and suspended judgment, and it develops the habit of examining before accepting. The teacher and the student now have a common goal, which is the gaining of knowledge and information sharing.

Remediation and Enrichment Programs

School Wide Tutoring

Program Description: Teachers provide tutorial for remediation and enrichment in language arts, mathematics and science, as well as, test preparation. This program is offered to all students.

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Extent of the Program: Kindergarten – fifth grade

Impact on Student Achievement: Based on the review of results from previous state and local standardized tests, we see an improvement in student achievement. We have also seen an increase in the number of students on the honor roll.

Basic Skills Program

Program Description: This academic support program was developed to provide academically at-risk students an opportunity to receive additional instructional support in the areas of Reading, Writing and Mathematics.

Extent of the Program: Kindergarten – fifth grade

Impact on Student Achievement: Based on the review of results from the state and local standardized tests, and formal and informal assessments by the teachers, we see an improvement in student achievement.

Summer Enrichment Program

Program Description: The EPCS Summer School program is a half day program that consists of thematic academic instruction, music, computers, gym and art. Based on the theme or focus for the program, a final project is developed on each grade level.

Extent of the Program: Kindergarten – fifth grade

The Englewood on the Palisades Charter School will continue to use the following innovative programs and practices:

- Pizza Hut Book It Program: Students are rewarded for meeting reading goals.
- Thematic instruction that includes Celebrations Around the World and Fairy Tales/Folk Tales, Myths and Legends : School Wide
- 100th Day of School Celebration: Students are given activities to enhance mathematics, reading and writing skills.
- Boys Book Club and Girls Book Club: 5th grades
- Pep Rally: Encouragement for NJASK
- SPECTRUM: specialized Projects Encouraging Children to Really Understand Math
- Stronger Than A Bully
- MatheMagic
- S.T.E.M.
- Maggie McGee and The Good Character
- Englewood Public Library
- Chemistry: It Really Matters
- 5th Grade Space Press Conference
- Family Game Night

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These programs and practices have had a positive impact on student achievement.

Parent Satisfaction

The 2013-2014 Parent Satisfaction Survey was distributed in June to assess parent satisfaction with the school's educational program. The survey solicited the opinions of Parents/Guardians regarding their views on school safety, quality of instruction, homework, discipline, teacher expectations, and parent/school communication.

Thirty-four percent of our parents were surveyed. Ninety-nine percent of those who responded indicated a high level of overall satisfaction of the school's performance. Parents strongly agreed that the school provided: a safe environment, teachers held high expectations for their students, parents were satisfied with the overall academic program, the school communicated well with parents, and the school had visible and approachable administrative staff.

The following major activities/events were offered to parents during the 2013-2014 school year.

Back to School Night
Parent/ Teacher Conferences
Hispanic Heritage Celebration
Black History Celebration
NJASK Informational Presentations
Holiday Show
Spring Concert
Kindergarten Moving Up Ceremony
Awards Ceremony
5th Grade Moving Up Ceremony

The following activities were conducted by parents to further the school's mission and goals in the areas of fundraising and volunteering.

Zumba Night
Cinderella Cheesecake
Toys for Tots
Scholastic Book Fair
Valentine's Day Shop
Mother's Day Shop
T-Shirt Sale
Bracelet Sale
Flea Market
Princess Ball
Year Book

3) **INTERNAL ACCOUNTING CONTROLS**

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Charter School is responsible for ensuring that adequate internal controls are in place to comply with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School's Board of Trustees.

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

4) **BUDGETARY CONTROLS**

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund and Special Revenue Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

5) **ACCOUNTING SYSTEM AND REPORT**

The Charter School's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

We utilized CDK application to deliver and establish a complete program including encumbrances, general ledger, accounts payable, accounts receivable, budgetary accounts and Board secretary's monthly report. This system has tremendously helped the accountability of our financial structure.

6) **FINANCIAL STATEMENT INFORMATION AT FISCAL YEAR-END**

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, and special revenue funds for the fiscal years ended June 30, 2014 and 2013.

	<u>2014</u>	<u>2013</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Revenue</u>				
Local Sources	\$ 2,908,157	\$ 2,482,929	\$ 425,228	17.13%
State Sources	391,754	293,193	98,561	33.62%
Federal Sources	148,201	158,614	(10,413)	-6.56%
Total	<u>\$ 3,448,112</u>	<u>\$ 2,934,736</u>	<u>\$ 513,376</u>	<u>44.18%</u>

The amount of monies received from local sources (Englewood Board of Education and other sending districts) is determined by the per pupil cost of their district. We receive 90% of this cost and the deviation is Kindergarten as a separate entity and grades 1-5 combined at a constant tuition rate.

The monies received from State and Federal sources attributable to grants in aid are determined by the number of children enrolled in our program. As our enrollment increases, we anticipate an increase in aid for the said programs. For the year ending June 30, 2014, we received grants for NCLB, including Title I, II and IDEA. As our enrollment increases we expect these monies to increase. In future years, we hope to increase our aid due to increase in at-risk students.

The following schedule presents a summary of general fund, special revenue expenditures for the fiscal years ended June 30, 2014 and 2013, and the percentage of increases and decreases in relation to prior year amounts.

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	<u>2014</u>	<u>2013</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Expenditures</u>				
Instruction	\$ 559	\$ 1,437,494	\$ (1,436,935)	-99.96%
Undistributed				
Expenditures	1,122,763	1,591,802	(469,039)	-29.47%
Capital Outlay	137,225	41,360	95,865	231.78%
TPAF _ Reimbursement				
Pension and FICA	280,009	175,434	104,575	59.61%
	-	-		
Total	<u>\$ 1,540,556</u>	<u>\$ 3,246,090</u>	<u>\$ (1,705,534)</u>	<u>161.96%</u>

For the year ending June 30, 2014, our expenditures were based upon one director, one principal, 20 teachers, 4 classroom assistants, one administrative assistant, one part time nurse, one full-time custodian and two part time lunch aids. We also contracted with Hunterdon County Educational Services Commission for the evaluation of Special Education Students, Good Talking People LLC for Speech Services and Focus Integrated Services for OT and PT.

7) CASH MANAGEMENT

The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Charter School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Our funds are presently deposited in NVE Bank, Englewood, N.J., in compliance with the state and federal regulations.

8) RISK MANAGEMENT

The Board carries various forms of insurance, including, but not limited, to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation and student insurance.

9) **OTHER INFORMATION**

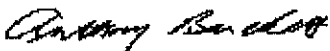
Independent Audit

State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ilori CPA LLC was appointed by the Charter School. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the basic financial statements, combining and individual fund statements, and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) **ACKNOWLEDGEMENTS**

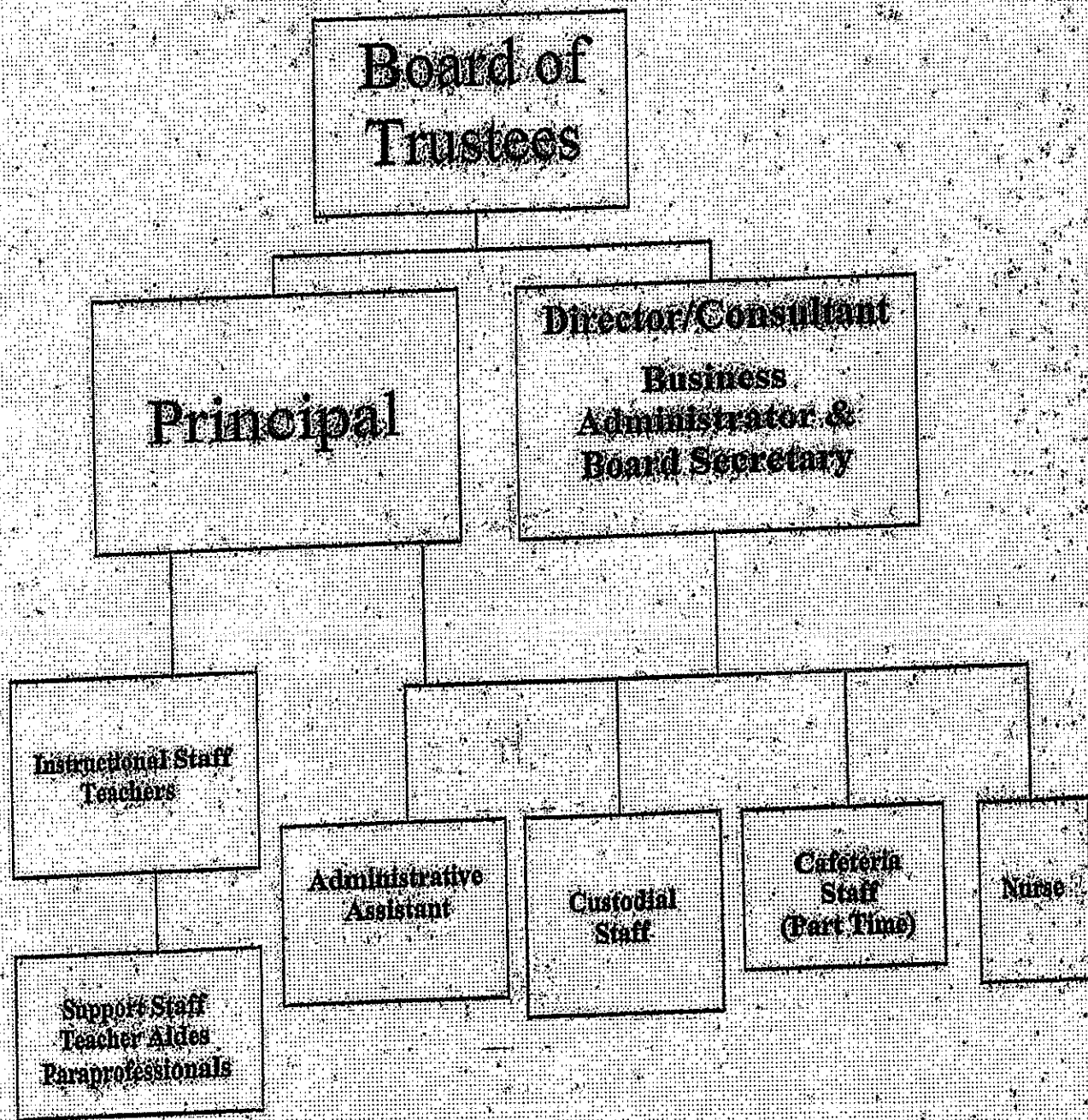
We would like to express our appreciation to the members of Englewood on the Palisades Charter School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and Englewood school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of my administrative assistants.

Respectfully submitted,



Anthony Barckett
Director, Bus. Admin/ Board Secretary
Englewood on the Palisades Charter School

Englewood on the Palisades Charter School Organizational Chart



ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

ROSTER OF OFFICIALS JUNE 30, 2014

Members of Board of Trustees

Travis Waller	President
Aree Booker	Vice President
Glenn Coley	Member
Enilsa Lora-Svec	Member
Jabulani Lovelace	Member

Other Officials

Anthony Barckett	Director/CSA/Bus Admin
Dr. Shirl Burns	Principal

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
CONSULTANTS AND ADVISORS

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Attorney

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Cliffside, NJ 07010

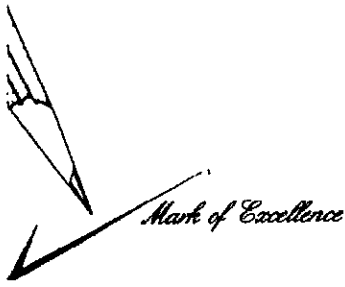
Audit Firm

Ilori CPA LLC
24 Commerce Suites1427
Newark, NJ 07102

Official Depository

NVE Bank
76 Engle Street
Englewood, NJ 07631

FINANCIAL SECTION



ILORI CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
& MANAGEMENT CONSULTANT
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Englewood on the Palisades Charter School
County of Bergen, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Englewood on the Palisades Charter School, (the "Charter School") in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the charter school's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the school's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Charter School, as of June 30, 2014, and the respective changes in financial positions and cash flows, where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 19 and 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules of expenditures of federal awards and state financial assistance are also presented for purposes of additional analysis as required by the U.S. office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB's Letter Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not also a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2014, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

ILORI CPA LLC

Kunle ilori

Kunle B. Ilori, CPA
Licensed Public School Accountant
No. 20CS00233100

November 18, 2014

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

MANGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) provides an analysis of the Charter School's overall financial position and results of operations.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

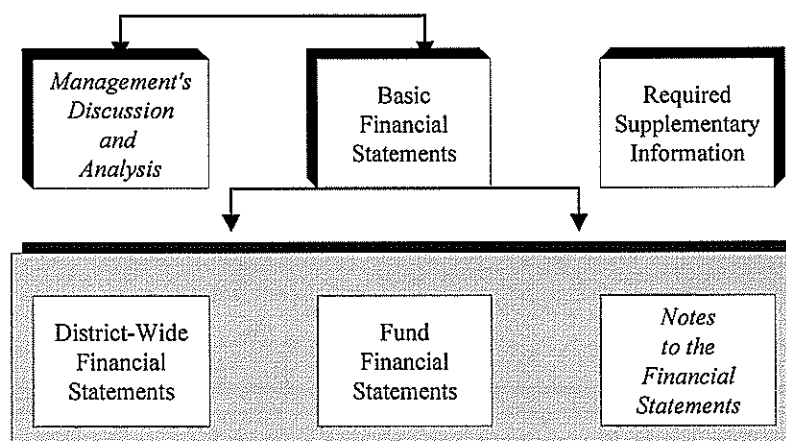
The discussion and analysis of Englewood on the Palisades Charter School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2014. The objective of this overview and analysis is to examine the District's financial performance as a whole and to disclose important financial commentary that will provide overall understanding of the District's financial position. However, readers of this document are encouraged to review the CAFR's Letter of Transmittal in the Introductory Section, and the Basic Financial Statements and Notes to Financial Statements in the Financial Section to enhance their understanding of Board's financial performance.

The Management's Discussion and Analysis (MD&A) as a required Supplementary Information Specified in the Governmental Accounting Standard Board's (GASB) statement No 34, *Basic Financial statements and Management's Discussion and Analysis for state and local Governments* issued in June 1999; GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis- for State and Local Governments: Omnibus*, an amendment to GASB Statement No 21 and No 34, issued in June 2001, and; in GASB Statement No 38, *Certain Financial Statement Note Disclosures*, issued in 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD & A.

Overview of the Financial Statements

This annual report consists of six parts-*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, *other supplementary information*, *the statistical section*, and *the single audit section*.

Table A-1. Required Components of the School's Annual Financial Report



ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are charter school *financial statements* that provide both *long-term* and *short-term* information about the school's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the district-wide statements.
 - *Governmental funds* statements tell how *basic* services such as regular and special education were financed in the *short term* as well as what remains for future spending.
 - *Proprietary funds* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as food service.
 - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain certain information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Table A-1 shows how the required parts of this annual report are arranged and related to one another.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Table A-2 Major Features of the School-Wide and Fund Financial Statements				
	School-wide Statements	Fund Financial Statements		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
Scope	Entire School (except fiduciary funds)	The activities of the School that are not proprietary or fiduciary, such as special education and building maintenance	Activities the School operates similar to private businesses: Food Service Fund and Extended Day Program	Instances in which the School administers resources on behalf of someone else, such as state unemployment insurance, payroll and payroll agency and student activities
Required financial statements	*Statements of Net Assets *Statements of Activities	*Balance Sheet *Statement of revenues, expenditures and changes in fund balances	*Statement of Net Assets *Statement of revenues, expenditures and changes in fund net assets *Statement of cash flows	*Statement of Fiduciary net assets *Statement of changes in fiduciary net assets
Accounting Basis and Measurement Focus	Actual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and dedications during the year; regardless of when cash is received or paid

Table A-2 summarizes the major features of the School's financial statements, including the portion of the School's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements. The basic financial statements include two kinds of statements that present different views of the School:

- Charter School-wide Statements
- Fund Financial Statements

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Charter School-wide Statements

The School-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two School-wide statements report the School's *net assets* and how they have changed. Net assets the difference between the School's assets and liabilities is one way to measure the School's financial health or *position*.

- Over time, increases or decreases in the School's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the School, you need to consider additional non-financial factors such as changes in the School's property tax base and the condition of school buildings and other facilities.

The School-wide financial statements of the School are divided into two categories:

- *Governmental activities* – Most of the School's basic services are included here, such as regular and special education, instruction, extracurricular activities, curriculum and staff development, health services, operations and maintenance of plant and administration. Property taxes and state grants finance most of these activities.
- *Business-type activities* – The School charges fees to customers to help it cover the costs of certain services it provides. The School's Food Service Fund and Extended Day Program Fund are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant *funds*-not the School as a whole. Funds are accounting devices that the School uses to keep track of specific sources of funding and spending for particular programs. The School considers all governmental and proprietary funds to be major funds in accordance with requirements of the Division of Finance, Department of Education, of the State of New Jersey.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Fund Financial Statements Cont'd

The School has three kinds of funds:

- *Governmental funds* – Most of the School's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the School charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the School-wide statements, provide both long- and short-term financial information. In fact, the School's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The School's Enterprise Fund includes the Food Service Program and the Extended Day Program.
- *Fiduciary funds* – The School is the trustee, or *fiduciary*, for assets that belong to others such as the state unemployment insurance, payroll, and student activity funds. The School is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the School's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the School's School-wide financial statements because the School cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the School-wide and fund financial statements and can be found starting on page 39 of this report. In addition to the basic financial statements and accompanying notes, this report also includes required supplementary information.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

FINANCIAL ANALYSIS OF THE CHARTER SCHOOL AS A WHOLE

The perspective of the Statement of Net position is of the Charter School as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The Charter school's financial position is the product of several financial transactions including the net results of activities.

Government Activities

The Charter School's total revenues were \$3,854,282 and \$3,198,676 for the years ended June 30, 2014 and 2013, respectively; this includes \$280,009 for 2014 and \$175,434 for 2013 of state reimbursed TPAF Social Security Contributions and Pension.

The total cost of all programs and services was \$4,200,970 for 2014 and \$3,077,397 for 2013. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Administration includes expenses associated with administrative and financial supervision of the Charter School.

Support Services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development and the costs associated with operating the facility.

Capital Outlay represents school equipment purchased over the \$2,500 threshold.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Business-Type Activities

Revenue for the Charter School's business-type activity Food and After School Programs for the years ended June 30, 2014 and 2013 amounted to \$ 142,597 and \$49,990, respectively. The revenue increase in the 2014 was due to the food program that is now managed by the Charter School compared to prior year under the Englewood Board of Education.

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. The net change in fund balance for the years 2014 and 2013 was most significant in the general fund; a deficit of \$178,481 and \$47,414 respectively, in general fund. The deficit is due to loss of projected students and increase in operating cost. As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2014 and 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

	<u>2014</u>	<u>2013</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Revenue</u>				
Local Sources	\$ 2,908,157	\$ 2,482,929	\$ 425,228	17.13%
State Sources	391,754	293,193	98,561	33.62%
Federal Sources	148,201	158,614	(10,413)	-6.56%
Total	<u>\$ 3,448,112</u>	<u>\$ 2,934,736</u>	<u>\$ 513,376</u>	<u>44.18%</u>

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Governmental Activities- Continued

It identifies the cost of these services supported by unrestricted state entitlements for the fiscal years ended June 30, 2014 and 2013.

	Total Cost of Services	Grants/ Contributions	2014 Net Cost of Services	2013 Net Cost of Services	Change	% Change
Instruction	\$ 1,721,559	\$ 106,281	\$ 1,615,278	\$ 1,320,800	\$ 294,478	22.30%
Support Services:						
Administrative expenses	1,259,988	-	1,259,988	910,936	\$ 349,052	38.32%
Other support services	1,047,216	41,920	1,005,296	629,815	\$ 375,481	59.62%
Miscellaneous	48,133	-	48,133	34,120	\$ 14,013	41.07%
Total Expenses	<u>\$ 4,076,896</u>	<u>\$ 148,201</u>	<u>\$ 3,928,695</u>	<u>\$ 2,895,671</u>	<u>\$ 1,033,024</u>	

Changes in expenditures were the results of varying factors. Current expense increased due to salary increases, additional staff and students, and increased health benefit and utility costs.

General Fund Budgeting Highlights

The Charter School's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2014, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid in its budgeting process. The budgeting system is designed to tightly control total budget, but provide flexibility for Charter School management teams.

For the General Fund, final budgeted revenues and other financing sources were \$3,123,143 which included a local share of \$2,698,544. Expenditures and other financing uses were budgeted at \$4,451,955. The State of New Jersey reimbursed the Charter School \$ 280,009 and \$175,434 during the years ended June 30, 2014 and 2013, respectively, for the employer's share of social security contributions and pension for TPAF members. This unbudgeted amount is included in both revenues and expenditures.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Business-Type Activity

The business-type activity of the Charter School is the food service operation and after school programs. The food program was fully administered by the Charter School, and the results of its operations for the year ended June 30, 2014 are included in this Comprehensive Annual Financial Report. As a participant in the food program, the Charter School is responsible for screening the participant eligibility into the food program. The result of the eligibility test is included in the report on Auditor's management report. The Charter School also conducted a reasonable size after school program in the course of the academic year to assist the parents that may otherwise not enroll their children in the school due to busy schedule.

The Charter School's Funds

The Charter School's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues including other financing sources for the years ended June 30, 2014 and 2013 were \$ 3,854,282 and \$ 3,198,676, respectively. The expenditures and other financing sources for the years ended June 2014 and 2013 were \$4,028,763 and \$3,246,090, respectively. The Deficit in fund balance for the years reflects the increasing operating costs of the school.

Capital Assets

At the end of fiscal year 2014, the Charter School had an inventory of all the assets , a depreciation schedule is maintained for assets with acquisition costs more than \$2,500 on individual basis to be consistent with the NJ Department of Education mandate. At June 2014 and 2013, the total capitalized assets amounts were \$42,500 and \$42,500, respectively.

Long-term debt and capitalized lease obligations

At June 30, 2014, the Charter School had no long-term debt or mortgages on the school building.

Economic Factors and Next Year's Budget

The State of New Jersey continues to face serious budgetary constraints. This impact the amount of state aid allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2013-2014. Despite the increasing operating costs , nothing was done to compromise the quality of the programs in place in the Charter School during the regular instructional day. The budget was prepared to ensure that all students have textbooks, materials supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to reflect the Charter School's accountability for the monies it receives. Questions about this report or additional financial information should be directed to:

Mr. Anthony Barckett
Director
Englewood on the Palisade Charter School
65 W. Demarest Avenue
Englewood, New Jersey 07631

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the Charter School's operation. These financial statements present the financial position and operating results of all funds and account groups as of June 30, 2014.

CHARTER SCHOOL –WIDE FINANCIAL STATEMENTS

This Statement of Net Position and the Statement of Activities display information about the Charter School as a whole. The Statement of Net Position presents the financial condition of the government and business-type activities of the Charter School at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental and business-type activities.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	2014 Total
ASSETS			
Cash and cash equivalents	\$ 2,256,228	\$ 21,523	\$ 2,277,751
Receivables- State	97,818		97,818
Receivables-Federal	-		-
Other Receivable	156,089		156,089
Depreciated capital assets	-		-
Less Accumulated depreciation	15,779	-	15,779
Total Assets	<u>2,525,914</u>	<u>21,523</u>	<u>2,547,437</u>
LIABILITIES			
Overdraft	-		-
Accounts payable	15,382	-	15,382
Other Payable	15,461	-	15,461
	<u>30,843</u>	<u>-</u>	<u>30,843</u>
NET POSITION			
Invested in capital assets, net of related debt	15,779	21,523	37,302
	-	-	-
Unrestricted	2,479,292	-	2,479,292
Total net position	<u>\$ 2,495,071</u>	<u>\$ 21,523</u>	<u>\$ 2,516,594</u>

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction	\$ 1,721,559	\$ -	\$ 106,281	\$ -	(1,615,278)	\$ -	\$ (1,615,278)
Support services:							
Student & instruction related services	1,259,988	-	-	-	(1,259,988)	-	(1,259,988)
School administrative services	1,047,216	-	41,920	-	(1,005,296)	-	(1,005,296)
Unallocated depreciation	48,133	-	-	-	(48,133)	-	(48,133)
Total governmental activities	4,076,896	-	148,201	-	(3,928,695)	-	(3,928,695)
Business-type activities:							
Food service and After care service	124,074	100,773	-	-	-	(23,301)	(23,301)
Total business-type activities	124,074	100,773	-	-	-	(23,301)	(23,301)
Total primary government	\$ 4,200,970	\$ 100,773	\$ 148,201	\$ -	\$ (3,928,695)	\$ (23,301)	\$ (3,951,996)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 2,908,157	\$ -	\$ 2,908,157
Taxes levied for debt service					-	-	-
Federal and State aid not restricted					391,754	41,824	433,578
Other sources					406,170	-	406,170
Transfers					-	-	-
Total general revenues, special items, extraordinary items and transfers					3,706,081	41,824	3,747,905
Change in Net Assets B-3					(222,614)	18,523	(204,091)
Net position—Beginning					2,717,685	3,000	2,720,685
Net position—Ending A-1					\$ 2,495,071	\$ 21,523	\$ 2,516,594

FUND FINANCIAL STATEMENTS

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

Exhibit B-1

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Receivables			
Cash and cash equivalents	\$ 2,256,228	\$ -	\$ 2,256,228
Receivables- state	97,818	-	97,818
Receivables- federal	-	-	-
Receivable - Court settlement	105,815	-	105,815
Receivables- Security receivable	50,274	-	50,274
Total assets	<u>2,510,135</u>	<u>-</u>	<u>2,510,135</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Overdraft		-	-
Accounts payable	15,382	-	15,382
Payable to state or district	15,461	-	15,461
	-	-	-
Total liabilities	<u>30,843</u>	<u>-</u>	<u>30,843</u>
Fund Balances:			
Unreserved, reported in:			
General fund	2,479,292		2,479,292
Total Fund balances	<u>2,479,292</u>	-	<u>2,479,292</u>
Total liabilities and fund balances	<u>\$ 2,510,135</u>	<u>\$ -</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Total Aquisition Cost	42,500	
Less Accumulated Depreciation	<u>(26,721)</u>	15,779

-

Net position of governmental activities- A-1

\$ 2,495,071

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

Exhibit B-2

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenue			
Local sources:			
"Local levy" local share	\$ 2,908,157	\$ -	\$ 2,908,157
Miscellaneous	-	-	-
Total - Local Sources	2,908,157	-	2,908,157
State sources	391,754	-	391,754
Other sources	406,170	-	406,170
Federal sources	-	148,201	148,201
Total revenues	3,706,081	148,201	3,854,282
EXPENDITURES			
Current:			
Instruction	1,619,622	101,937	1,721,559
Undistributed Expenditures:			
Administrative cost	1,122,763	-	1,122,763
Support services	720,943	46,264	767,207
TPAF reimbursed	280,009	-	280,009
Capital outlay	137,225	-	137,225
Total expenditures	3,880,562	148,201	4,028,763
Excess (Deficiency) of revenues over expenditures	(174,481)	-	(174,481)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balances	(174,481)	-	(174,481)
Fund balance—July 1	2,653,773	-	2,653,773
Fund balance—June 30	\$ 2,479,292	\$ -	\$ 2,479,292

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Total net change in fund balances - governmental funds (from B-2) **\$ (174,481)**

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which the capital outlays exceeded depreciation expense in the period.

Acquisition cost	(42,500)	
Others	2,327	
Depreciation expense	7,960	(48,133)

Change in net assets of governmental activities A-2 **\$ (222,614)**

PROPRIETARY FUND FINANCIAL STATEMENTS

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

ASSETS

Current assets:

Cash and cash equivalents	\$ 21,523
Government grants receivable	-
Interfund receivable General Fund	-
Other receivables	-
Inventories	-
Total current assets	<u>21,523</u>

Total assets	<u><u>21,523</u></u>
--------------	----------------------

LIABILITIES

Current liabilities:

Accounts payable	-
Interfund payable	-

Total liabilities	<u>-</u>
-------------------	----------

NET POSITION

Invested in capital assets net	-
Unrestricted n	<u>21,523</u>

Total net position	<u>\$ 21,523</u>
--------------------	------------------

Total Laibilities and Net Position	<u><u>21,523</u></u>
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ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014

Charges for services:	
Daily sales - non-reimbursable programs	39,437
After care fees	58,224
Miscellaneous revenue	3,112
Total operating revenues	<u>100,773</u>
Operating expenses:	
Cost of sales	23,910
Salaries	56,001
Employee benefits	-
Other purchased services	39,865
Bank charges	67
Supplies	3,081
Postage	1,150
	0
Total Operating Expenses	<u>124,074</u>
Operating loss	<u>(23,301)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	2,019
Federal sources:	
National school breakfast program	1,953
National school lunch program	35,532
Federal snack	2,320
Total nonoperating revenues	<u>41,824</u>
Loss before transfers	<u>18,523</u>
Transfers in (out)	-
Change in net position	<u>18,523</u>
Total net position-beginning	<u>3,000</u>
Total net position-ending	<u>\$ 21,523</u>

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ -
Other receipts	100,773
Payments to employees and suppliers	<u>(124,074)</u>
Net cash used for operating activities	<u>(23,301)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash received from State and Federal reimbursements	41,824
	<u>0</u>
Net cash provided by non-capital financing activities	<u>41,824</u>

Increase in Cash and Cash Equivalents	18,523
---------------------------------------	--------

Balances-beginning of year	3,000
Balances-end of year	<u><u>21,523</u></u>

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Increase (decrease) in interfunds payable	-
Net cash used for operating activities	<u><u>\$ (23,301)</u></u>

FIDUCIARY FUND FINANCIAL STATEMENTS

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

Exhibit B-7

	<u>Unemployment Compensation Trust</u>	<u>Total Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Interfund Receivable	4,488	63,080
	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,488</u>	<u>\$ 63,080</u>
LIABILITIES		
Payable to the state unemployment	3,467	3,467
Interfund payable	-	
Payroll deductions and withholdings	-	63,080
	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 3,467</u>	<u>\$ 66,547</u>
NET ASSETS		
Held in trust for unemployment claims and other purposes	<u>\$ -</u>	

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Exhibit B-8

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan member	
Contributions to SUI	\$ 3,467
Other	-
Total Contributions	<u>3,467</u>
Total additions	<u>3,467</u>
DEDUCTIONS	
Quarterly contribution reports	3,467
Administrative expenses	-
Total deductions	<u>3,467</u>
Change in net assets	-
Net position—beginning of the year	-
Net position—end of the year	<u><u>\$ -</u></u>

NOTES TO FINANCIAL STATEMENTS

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
BERGEN COUNTY**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity:

The school was founded by a coalition of committed parents, educators, professionals and community members of Englewood to support the children and learning. The Charter school was granted its charter to operate and maintain a public school to the residents of Englewood. The charter School has successfully gone through charter renewal four times since its existence. The Charter School is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No. 14. In addition, it must comply with the New Jersey Charter school program Act of 1995 and regulations promulgated thereafter.

The Charter School is an instrument of the State of New Jersey, established to function as an educational institution. Its mission is to provide a nurturing, caring, child-centered, constructivist learning community, modeling skills and habits necessary for attaining higher degree of achievement in our increasing complex, interdependent global society. The School will integrate a holistic curriculum, utilize learner center techniques, family and care giver centered approaches, comprehensive community involvement, cutting-edge technology and an intimate nurturing environment that will enhance positive self-images.

Component Units

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB's Codification of Governmental Accounting and Financial Reporting Standards is the degree of oversight responsibility maintained by the Charter School management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School.

B Basis of Presentation

The financial statements of The Charter School have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed for governmental units. The Governmental Accounting Standards Board (GASB) is the accounting standard-setting body responsible for establishing governmental accounting and financial reporting principles.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B Basis of Presentation- Continued

In June 1999, the Governmental Accounting Standards Boards unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. In 2004, all charter schools adopted the GASB and the changes. Certain significant changes in the financial statements include the following:

- A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations
- Charter School-wide financial statements prepared using full-accrual accounting for all of the District's activities and the economic resources measurement focus.
- Depreciation expense on the District's capital assets is reflected in the Charter school-wide statement of activities.
- Fund financial statements to focus on the major funds.

These changes and others have been incorporated in the accompanying financial statements.

C. Basic Financial Statements:

The Charter School's basic financial statements consist of Charter School or government- wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

School -wide Financial Statements

The statement of net assets and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the Charter School, except for fiduciary funds. The statement of net assets presents the financial condition of the governmental and business-type activities of the Charter School at fiscal year end.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

School-wide Financial Statements- Continued

The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental and business-type activities. The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

D Fund Financial Statements

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School. The Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Charter School at a more detailed level.

E Governmental Funds

General Fund - The General Fund is the primary operating fund of the Charter School and is always classified as a major fund. It is used to account for all financial resources except those that are legally or administratively required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education, the Charter School included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

E Governmental Funds-Continued

- 1) Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings,
- 2) Improvement of ground, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major Capital Projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2011 there was no Capital Projects Fund.

Debt Service Fund -The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on, bonds issued to finance major property acquisitions, construction, and improvement programs. As of June 30, 2011 there was no debt service fund.

F Proprietary Funds

The focus of Proprietary Funds' measurement is upon determination of net income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the Proprietary Funds of the Charter School.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Enterprise Funds:

The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Charter School is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods and services to the students on a continuing basis be financed or recovered primarily through user charges; or where the Charter School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in total net position.

Internal Service (Self-Insurance) Fund:

The Self-Insurance Fund is used to cover the self-insured limits of the various insurance policies for all funds. The Charter School does not use self insurance fund.

G Fiduciary Funds

Fiduciary or trust and Agency Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. This fund category includes:

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Expendable Trust Funds - Expendable Trust Funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. At June 30, 2014, the school did not have expendable Trust Fund

Nonexpendable Trust Funds - Nonexpendable Trust Funds are used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligations to maintain the trust principal. At June 30, 2014, the school did not have Nonexpendable Trust Fund

Agency Funds – Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds

H Measurement Focus and Basis of Accounting

Measurement Focus –A measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. On the government-wide statements of net assets and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds are accounted for on a flow economic resources measurement focus. With this measurement focus, the accounting objectives are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flow. All assets and all liabilities, whether current or noncurrent, associated with their activities are included on the balance sheet. Fund equity (i.e., net total assets) is classified as net position.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of accounting

In the government wide statement of net assets and statements of activities, both governmental and business like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting revenues are recognized when earned and expenses are recognized when the liability, resulting from exchange and exchange like transactions, is incurred (i. e. the exchange takes place).

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determine and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

Budgets/Budgetary Control

Annual appropriated budgets are prepared prior to July 1, for the General Fund. The budget is prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A. 2(m)1. All budget amendments must be approved by the N.J. State Department of Education. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below.

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental funds types. Unencumbered appropriations lapse at fiscal year end.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Ia. Budgets/Budgetary Control - continued

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. The following presents a reconciliation of the special revenue funds from budgetary basis of accounting to the GAAP basis of accounting:

Budget/Budgetary Control:

	<u>2014</u>
Total revenues and expenditures (budgetary basis)	\$148,201
Adjustments:	
Plus: Encumbrances at June 30, 2013	-
Less: Encumbrances at June 30, 2014	<u>-</u>
Total revenue and expenditures (GAAP basis)	<u>\$ 148,201</u>

Ib. Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the specified reservations of fund balances at fiscal yearend were closed out as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected as deferred Revenue at fiscal year. The encumbered appropriation carries over to the next year by increasing the appropriation for the year by the outstanding encumbrance

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Cash, Cash Equivalent and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investment with a maturity of three months or less at the time of purchases and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchases are stated at cost. All other investment is stated at fair value.

New Jersey Charter Schools are limited as to the types of the investments and types of financial institution they may invest in, New Jersey statute 18A:20-37 provides a list of permissible investment that may be purchased by New Jersey Charter Schools. Additionally, the Charter School has adopted a cash management plan that requires it to deposit public fund in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. established the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan Institutions, banks (both state and national banks) and saving banks deposits which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposit of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

K. Tuition Payable

The Charter School did not send any of its students to any other Charter Schools during the fiscal year ended June 30, 2014.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase. Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first- in-first-out (FIFO) Method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

M. Interfund Assets/Liabilities

On the fund financial statement, receivable and payables resulting from short-term Inter-fund loans are classified as Inter-fund Receivable/Payable. Inter-fund balance within governmental activities and within business-type activities are eliminated on the government wide Statements of Net Assets.

N. Fixed Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Charter School as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation based for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the governmental fund capital assets.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Fixed Assets - continued

Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of the depreciable capital assets are as follows:

<u>Description</u>	<u>Estimated lives</u>
School Building if owned	50years
Building and Buildings Improvements	15 years
Furniture and Equipment	5 years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The school policy is to pay as you go, thereby preventing accumulation of accrued sick leave or vacation beyond the current fiscal year. Compensated absences that are related to future services, or that are contingent on specific events that are outside the control of the Charter School and its employees, are accounted for in the period in which such service is rendered or in which such events take place. In governmental and similar trust funds, compensated absences that are expected to be liquidated with the expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. As of June 30, 2014, there were no accrued compensated absences at the Charter school.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payable, accrued liabilities, and long term- obligations payable from the enterprises fund are reported and the enterprises fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payments during the current year.

Fund Balance and Equity

In the fund financial statements, governmental fund report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for specific future use. Designated fund balance represents plans for future use of financial resources.

Net Position

The Charter School implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The School also implemented GASB No. 65, *Items previously reported as Assets and Liabilities*, during the current fiscal year. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A deferred outflow of resources is a consumption of net position by the Charter School that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the Charter School that is applicable to a future reporting period. The Charter School had deferred inflows of resources at June 30, 2014 in the amount of \$100,000. The Charter School deferred outflow of resources at June 30, 2014 was \$9,270, expected to decrease the future net earnings. Net position is displayed in three components net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by law, external resource providers or through enabling legislation. The committed fund balance classification includes amounts that can be used only for specific purposes determined for a formal action of the Charter School highest level of decision making authority. Amounts in the assigned fund balance classification are intended, to be used by the government for specific purposes and if they do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the School's General Fund and it includes all spendable amounts not contained in the other classifications.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Inter-fund Transactions

Inter-fund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Inter-fund borrowings are reflected as “Due from/to Other Funds” on the accompanying financial statements. All other inter-fund transfers are reported as operating transfer.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

On-Behalf Payments

Revenues and expenditures of the General Fund include payment made by the state of New Jersey for Pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the Charter School’s annual budget.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include petty cash, change funds and amounts on deposit with local banks. New Jersey statutes require that Charter School deposit public funds in public depositories located in New Jersey which is insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. As of June 30, 2014 and 2012, cash and cash equivalents consisted of the following:

General Fund	Special Revenue	Enterprise Fund	2014 Total	2013 Total
\$ 2,256,228	\$ -	\$ 21,523	\$ 2,277,751	\$ 2,692,347
-	-	-	-	-
<u>\$ 2,256,228</u>	<u>\$ -</u>	<u>\$ 21,523</u>	<u>\$ 2,277,751</u>	<u>\$ 2,692,347</u>

Custodial credit risk

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the School disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2014 the School's bank balances amounted to \$2,277,751 and were not exposed to custodial credit risk since all deposits were insured by FDIC and GUPDA. In accordance with GASB statement No.3, the school is required to disclose the level of custodial credit risk assumed in its cash and cash equivalents and investments in different categories.

Category 1 included deposits or investments held by the Charter School's custodial risk assumed by the charter school in its cash, cash equivalents and investments. The balance of \$2,277,751 is a category 1 as disclosed in the financial statements.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 2. CASH AND CASH EQUIVALENTS- CONTINUED

Category 2 includes uninsured and unregistered deposits or investment held by the charter school's custodial bank trust department or agent but not in the Charter School name.

Custodial credit risk

Category 3 included uninsured and unregistered deposits or investment held by a broker or dealer or held by the Charter School's custodial bank trust department or agent but not in the Charter School's name.

NOTE3. FIXED ASSETS

The charter school's capitalization policy is congruent and consistent with New Jersey Department of Education that is to capitalize assets that are \$2,500 or more individually. At June 30, 2014, the Charter School has capital assets as detailed below:

<u>Assets Description</u>	<u>Costs</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Smart board	\$ 27,300	\$ 21,721	\$ 5,579
Equipment	15,200	5,000	10,200
Total	<u>\$ 42,500</u>	<u>\$ 26,721</u>	<u>\$ 15,779</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 4. OPERATING LEASES

The Charter School is committed to a lease agreement under a non-cancelable operating lease with an option to renew for two additional terms of five years beginning September 1, 2005 through August 31, 2005. The lease has been amended to expire on August 2011 with annual lease payment to be indexed for inflation. The lease is on the school building located at 65 West Demarest Avenue, Englewood, New Jersey. Minimum annual lease payment was \$18,807 per month with annual adjustment to be agreed on by all parties. The total rent expense for the fiscal ended June 30, 2014 was \$298,775 before adjustment for security deposits. The adjusted rent was \$265,582. A new 5 year lease was entered into in August 2012 effective for July 1, 2012 to June 30, 2017 for annual rent of \$ 260,000 to be indexed for inflation and agreed upon increase in the base rent. The annual lease payments are listed below:

<u>Year</u>	<u>Annual Amount</u>
2014	273,000
2015	286,650
2016	300,983
2017	316,032

NOTE 5 DEFERRED COMPENSATION

The Charter School has no other deferred compensation other than the New Jersey State TPAF and PERS as mentioned above. Accordingly, no amount has been recorded in the accompanying financial statements.

NOTE 6 STATE AND FEDERAL AIDS

Federal and State aids are generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aids. In the opinion of the Charter School's management, any potential adjustments to the Federal or State aid recorded by the Charter School through June 30, 2014, resulting from a review by a responsible government agency will not have a material effect on the Charter School financial statements at June 30, 2014.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 7 COMPENSATED ABSENCES

The Charter school accounts for compensated absences (unused vacations, sick leave) as directed by Governmental Accounting Standards Board No 16 (GASB 16) ,”accounting for Compensated Absences “ A liability for compensated absences attributable to services already rendered and not contingent on any specific event that is outside control of the employer and employee is accrued as employees earn the right to the benefits. The Charter School policy is to forfeit any unused sick days at the end of fiscal year to prevent accumulation of sick days into the future. The unused vacations days are usually accrued if there are any during the course of the year. At June 30, 2014, there were no unused vacation days to be accrued.

NOTE 8 PENSIONS PLANS

A) Description of Plans

All eligible employees of the Charter School are covered by either the Public Employee’s Retirement System or the Teacher’s Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirements System and the Teacher’s Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers Pension and Annuity Fund (TPAF)

The Teachers’ Pension and Annuity Fund was established as a January 1,1995, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirements health care to substantially all full time certified teachers or professional staff of the public school systems in the State. The Teacher’s Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the systems other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 8 PENSIONS PLANS –CONTINUED

Public Employees' Retirement System (PERS)

The public Employees' Retirement Systems (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county municipality, Charter School, or public agency provided the employee is not a member of another state-administered retirement system. The public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post retirement health care coverage.

Significant Legislation

P.L. 2010 effective May 21, 2010 made a number of changes to the state administered retirement systems concerning eligibility, the retirement allowance formula, the definition of composition, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor part of the PERS, and employer contributions to the retirement system. The legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service.

New members of TPAF and PERS will no longer receive from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutors part of the PERS to new members and repealed the law for the new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time of five years of pension service credit is attained. The law also requires the state to make its full pension contribution, defined as 1/7th of the required amount, beginning in the fiscal year 2012. TP. L. 2010, c.3 effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the state to individuals enrolled in the state "defined contribution" retirement program.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 8 PENSIONS PLANS- CONTINUED

C. Contribution requirement

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective July, 2012, the employee's contributions for TPAF and PERS has increased from 6.5% to 6.64% of employee's annual compensation as defined. Subsequent increases are being phased in over 7 years effective July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS.

NOTE 9 POST EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Public law (P.L.) 2007, c 103 amended the law to eliminate the funding of postretirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits and the state contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994. The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 10 RISK MANAGEMENT

The Charter School is exposed to various risks of loss relates to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for the amounts due New Jersey division of labor. The Charter School maintains commercial insurance coverage for property, liability, and student's accident and surety bonds. The following is a summary of the school contribution to the state for benefits paid and the ending balance of the Charter school's trust contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the Charter School's trust fund for the current and the previous years.

<u>Fiscal year</u>	<u>Employee Contributions</u>	<u>Ending Balance</u>
2013-2014	\$4,488	\$ -0-
2012-2013	\$3,467	\$ -0-

A complete schedule of insurance coverage can be found in the Statistical Section of this CAFR

NOTE 11 BUSINESS RISK

The Charter School receives its support from federal, state and local governments. A significant reduction in the level of support, if it were to occur would have an impact on the Charter School's programs and activities.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

BERGEN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 12 SOCIAL SECURITY TAX REIMBURSEMENTS

In accordance with N.J. S.A. 18A: 66-66 of the State of New Jersey reimbursed the school \$175,434 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the accompanying CAFR as revenue and expenditure.

NOTE 13 COMMITMENTS

The grant program is subject to financial and compliance audits by the grantors or their representatives. The final determination on the allowability of costs resulting from expenditures funded by New Jersey Department of Education (NJDOE) remains with NJDOE. Management is not aware of any material items of non compliance which would result in disallowance of program expenditures.

NOTE 14 LITIGATIONS AND CONTINGENCIES

The Charter School is currently in process of obtaining a default judgment from one of its vendors. The law suit against the vendor is pending in Court.

NOTE 15 SUBSEQUENT EVENT

The Charter School has evaluated subsequent events through November 18, 2014 the date of financial statements issuance and as such date, no subsequent events required disclosures in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II
BUDGETARY COMPARISON

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Levy -Local share	\$ 2,505,933	\$ 192,611	2,698,544	\$ 2,908,157	209,613
Miscellaneous	-	-	-	-	-
Total - Local Sources	<u>2,505,933</u>	<u>192,611</u>	<u>2,698,544</u>	<u>2,908,157</u>	<u>209,613</u>
Categorical Aid:					
Local Levy -State share					
District Security Aid	59,131	2,767	61,898	60,980	(918)
State Non public Aid	-	9,844	9,844	-	(9,844)
State - Other	363,264	(93,526)	269,738	280,632	10,894
Special Education Aid	63,962	(9,843)	54,119	50,142	(3,977)
Total State Sources	<u>486,357</u>	<u>(90,758)</u>	<u>395,599</u>	<u>391,754</u>	<u>(3,845)</u>
Revenue from Other Sources:					
Interest income	25,000	-	25,000	16,144	(8,856)
Other Sources	4,000	-	4,000	110,017	106,017
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	150,694	150,694
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	129,315	129,315
Total Revenue from Other Sources	<u>29,000</u>	<u>-</u>	<u>29,000</u>	<u>406,170</u>	<u>377,170</u>
Total Revenues	<u>3,021,290</u>	<u>101,853</u>	<u>3,123,143</u>	<u>3,706,081</u>	<u>582,938</u>
EXPENDITURES:					
Current Expense:					
Instruction					
Salaries of Teachers	1,375,625	(10,000)	1,365,625	1,338,745	26,880
Other Salaries for Instruction	187,010	(20,000)	167,010	142,545	24,465
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	36,000	1,500	37,500	31,310	6,190
Other Purchased Services (400-500 series)	20,000	(5,000)	15,000	1,266	13,734
General Supplies	43,200	-	43,200	32,946	10,254
Textbooks	70,800	-	70,800	60,586	10,214
Miscellaneous Expenditures	25,500	-	25,500	12,224	13,276
Total Instruction	<u>1,758,135</u>	<u>(33,500)</u>	<u>1,724,635</u>	<u>1,619,622</u>	<u>105,013</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Undist. Expend. - Administrative Cost					
Salaries	348,521	-	348,521	332,782	15,739
Salaries of Secretarial and Clerical Assistants	99,077	(10,000)	89,077	60,567	28,510
Total Benefit Costs	690,467	86,509	776,976	568,164	208,812
Professional/Technical Service	192,200	-	192,200	114,489	77,711
Other Purchased Services	33,500	-	33,500	18,589	14,911
Communications/Telephone	25,000	-	25,000	4,745	20,255
Supplies and Materials	8,500	-	8,500	3,566	4,934
Miscellaneous Expenditures	29,000	9,844	38,844	19,861	18,983
Total Undist. Expend. - Administrative Cost	1,426,265	86,353	1,512,618	1,122,763	389,855
Undist. Expend. - Support Services					
Salaries	276,884	(10,000)	266,884	210,451	56,433
Other Purchased Services and Technical Service	194,693	-	194,693	94,708	99,985
Other Purchased Services (400-500 series)	80,850	-	80,850	26,356	54,494
Rental	371,016	(71,000)	300,016	265,581	34,435
Insurance-Fidelity, Liability, Property	57,959	-	57,959	57,060	899
Supplies and Materials	25,000	-	25,000	9,992	15,008
Energy	-	75,000	75,000	53,979	21,021
Trans other	7,800	-	7,800	2,490	5,310
Miscellaneous Expenditures	6,500	-	6,500	326	6,174
Total Undist. Expend. - Support Services	1,020,702	(6,000)	1,014,702	720,943	293,759
TOTAL UNDISTRIBUTED EXPENDITURES	2,446,967	80,353	2,527,320	1,843,706	683,614
TOTAL GENERAL CURRENT EXPENSE	4,205,102	46,853	4,251,955	3,463,328	788,627
CAPITAL OUTLAY					
Instructional equipment	35,000	56,500	91,500	67,291	24,209
Non-instructional equipment	35,000	(16,500)	18,500	11,279	7,221
Purchase of land/improvement	50,000	-	50,000	23,043	26,957
Miscellaneous expenses	25,000	15,000	40,000	35,612	4,388
Total Capital Outlay	145,000	55,000	200,000	137,225	62,775
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	129,315	(129,315)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	150,694	(150,694)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	280,009	(280,009)
TOTAL EXPENDITURES	4,350,102	101,853	4,451,955	3,880,562	571,393
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,328,812)	-	(1,328,812)	(174,481)	1,154,331
Fund Balance, July 1	1,649,766	2,352,267	2,583,750	2,653,773	(70,023)
Fund Balance, June 30	\$ 320,954	\$ 2,352,267	\$ 1,254,938	\$ 2,479,292	\$ 1,084,308

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
BUDGETARY COMPARISON -SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	148,471	(270)	148,201	148,201	-
Hurricane Impact Aid	-	-	-	-	-
Other- Robert foundation Grant	-	-	-	-	-
Total Revenues	148,471	(270)	148,201	148,201	-
EXPENDITURES:					
Instruction					
Salaries of Teachers	70,000	-	70,000	70,000	-
Other Salaries for Instruction	-	-	-	-	-
Personal Services - Employee Benefits	14,000	2,100	16,100	16,100	-
Purchased Professional and Technical Services	2,500	-	2,500	5,400	(2,900)
Purchased Professional - Educational Services	7,500	(2,100)	5,400	2,500	2,900
Miscellaneous	-	-	-	-	-
General Supplies	5,437	2,500	7,937	7,937	-
Textbooks	2,500	(2,500)	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	101,937	-	101,937	101,937	-
Support Services					
Salaries of Other Professional Staff	28,000	-	28,000	28,000	-
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	5,600	840	6,440	6,440	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Professional Services	5,000	-	5,000	5,000	-
Text Books	-	-	-	-	-
Travel	790	(12)	778	778	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies & Materials	5,786	(840)	4,946	4,946	-
Other Objects	1,100	-	1,100	1,100	-
Supplies	258	(258)	0	-	-
Total Support Services	46,534	(270)	46,264	46,264	-
Facilities Acquisition and Construction Services:					
Buildings	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Const. Services	-	-	-	-	-
Total Expenditures	148,471	(270)	148,201	148,201	-
Excess (Deficiency) of Revenues Over (Under)		0			
Other Fin.Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE YEAR ENDED JUNE 30, 2014

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	General Fund		Special Revenue Fund
	<u> </u>		<u> </u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1] \$ 3,706,081	[C-2] \$ 148,201	
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that			
encumbrances are recognized as expenditures, and the related			
revenue is recognized.			-
State aid payment recognized for budgetary purposes,			
not recognized for GAAP statements	<u>-</u>		<u>-</u>
Total revenues as reported on the statement of revenues, expenditures			
and changes in fund balances - governmental funds.	[B-2] <u>\$ 3,706,081</u>	[B-2] <u>\$ 148,201</u>	
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the	[C-1] \$ 3,880,562	[C-2] \$ 148,201	
budgetary comparison schedule			
Differences - budget to GAAP			
The district budgets for claims and compensated absences			
only to the extent expected to be paid, rather than on the			
modified accrual basis.			
Encumbrances for supplies and equipment ordered but			-
not received are reported in the year the order is placed for			
<i>budgetary</i> purposes, but in the year the supplies are received			
for <i>financial reporting</i> purposes.	<u>-</u>		<u>-</u>
Total expenditures as reported on the statement of revenues,	[B-2] <u>\$ 3,880,562</u>	[B-2] <u>\$ 148,201</u>	

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	Title I	Title II A	IDEA Part B	Total
REVENUES				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Federal Sources	101,937	9,878	36,386	148,201
	-	-	-	-
Total Revenues	101,937	9,878	36,386	148,201
EXPENDITURES:				
Instruction:				
Salaries of Teachers	70,000	-	-	70,000
Other Salaries for Instruction	-	-	-	-
Personal Services - Employee Benefits	16,100	-	-	16,100
Purchased Professional - Educational Services	5,400	-	-	5,400
Purchased Professional and Technical Services	2,500	-	-	2,500
Miscellaneous	-	-	-	-
General Supplies	7,937	-	-	7,937
Textbooks	-	-	-	-
Other Objects	-	-	-	-
Total instruction	101,937	-	-	101,937
Support services:				
Salaries of Other Professional Staff	-	-	28,000	28,000
Other Salaries	-	-	-	-
Personal Services - Employee Benefits	-	-	6,440	6,440
Purchased Professional - Educational Services	-	-	-	-
Other Purchased Professional Services	-	5,000	-	5,000
Text Books	-	-	-	-
Travel	-	778	-	778
Other Purchased Services (400-500 series)	-	-	-	-
Supplies & Materials	-	3,000	1,946	4,946
Instructional Equipment	-	1,100	-	1,100
Other Objects	-	-	-	-
Total support services	-	9,878	36,386	46,264
Total Expenditures	101,937	9,878	36,386	148,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by propriety funds. At June 30, 2014, there was no capital project fund.

<p>ENTERPRISE FUNDS DETAIL STATEMENTS</p>
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Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Charter School is that the costs of providing goods and services be financed through user charges. Food Service Fund - provides for the operation of food services for the Charter School.

NGLEWOOD ON THE PALISADE CHARTER SCHOOL
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

Exhibit G-1

	<u>Food Service</u>	<u>After Care Service</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 17,830	\$ 3,693	\$ 21,523
Government grants receivable	-	-	-
Interfund receivable General Fund	-	-	-
Other receivables	-	-	-
Inventories	-	-	-
Total current assets	<u>17,830</u>	<u>3,693</u>	<u>21,523</u>
 Total assets	 <u>17,830</u>	 <u>3,693</u>	 <u>21,523</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Interfund payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Invested in capital assets net	-	-	-
Unrestricted net assets	<u>17,830</u>	<u>3,693</u>	<u>21,523</u>
 Total net assets	 <u>\$ 17,830</u>	 <u>\$ 3,693</u>	 <u>\$ 21,523</u>
 Total Laibilities and Net Position	 <u>17,830</u>	 <u>3,693</u>	 <u>21,523</u>

ENGLEWOOD ON THE PALISADE CHARTER SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

Operating revenues:	Food Service	After Care Service	Total
Charges for services:			
Daily sales - non-reimbursable programs	\$ 39,437	\$ -	\$ 39,437
After care fees		58,224	58,224
Miscellaneous revenue	204	2,908	3,112
Total operating revenues	<u>39,641</u>	<u>61,132</u>	<u>100,773</u>
Operating expenses:			
Cost of sales	23,910	-	23,910
Salaries	-	56,001	56,001
Employee benefits	-	-	-
Other purchased services	39,658	207	39,865
Bank charges	67	-	67
Supplies	-	3,081	3,081
Postage	-	1,150	1,150
	-	-	-
Total Operating Expenses	<u>63,635</u>	<u>60,439</u>	<u>124,074</u>
Operating loss	<u>(23,994)</u>	<u>693</u>	<u>(23,301)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	2,019	-	2,019
Federal sources:			
National school breakfast program	1,953	-	1,953
National school lunch program	35,532	-	35,532
Federal snack	2,320	-	2,320
Total nonoperating revenues	<u>41,824</u>	<u>-</u>	<u>41,824</u>
Loss before transfers	17,830	693	18,523
Transfers in (out)	-	-	-
Change in net position	17,830	693	18,523
Total net position-beginning	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Total net position-ending	<u>\$ 17,830</u>	<u>\$ 3,693</u>	<u>\$ 21,523</u>

See independent auditor's report.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ -
Other receipts	100,773
Payments to employees and suppliers	(124,074)
Net cash used for operating activities	<u>(23,301)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash received from State and Federal reimbursements	41,824
	0
Net cash provided by non-capital financing activities	<u>41,824</u>

Increase in Cash and Cash Equivalents	18,523
---------------------------------------	--------

Balances-beginning of year	3,000
Balances-end of year	<u>21,523</u>

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Operating income (loss) provided by operating activities	(23,301)
Increase (decrease) in interfunds payable	-
Net cash used for operating activities	<u>\$ (23,301)</u>

<p style="text-align: center;">FIDUCIARY FUNDS DETAIL STATEMENTS</p>

Trust funds are used to account for gifts and bequests to the Charter School for specific purposes.

Unemployment Compensation Insurance Trust Fund is an expendable trust fund used to account for unemployment transactions of the Charter School.

At June 30, 2014 there was no non-expendable trust fund utilized by the Charter School.

Agency funds are used to account for assets held by the Charter School as an agent for individuals, private organizations, governmental and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the Charter School.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014**

Exhibit H-1

	Unemployment Compensation Insurance	Agency Payroll Agency	Agency Total Agency Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Interfund Receivable	-	63,080	63,080
	-	63,080	63,080
Total assets	-	63,080	63,080
LIABILITIES			
Interfund Payable			
Account Payable	-	-	-
Payable to State	-	-	-
Payroll deductions and withholdings	-	63,080	63,080
	-	-	-
Total liabilities	-	63,080	63,080
NET POSITION			
Reserved for unemployment claims and other purposes	-	-	-
	-	-	-
Total net assets	\$ -	\$ -	\$ -

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions	\$ 4,488
General fund appropriation	-
	<u>-</u>
Total Contributions	<u>4,488</u>
DEDUCTIONS	
Quarterly contribution reports	-
Payment to NJ unemployment compensation fund	4,488
	<u>-</u>
Total deductions	<u>4,488</u>
Change in net assets	<u>-</u>
Net position-beginning of the year	<u>-</u>
Net position-end of the year	<u><u>\$ -</u></u>

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Assets</u>	<u>Balance July 1, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2014</u>
Interfund receivable	\$ 26,620	\$ 2,239,091	\$ 2,202,631	63,080
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 26,620</u>	<u>\$ 2,239,091</u>	<u>\$ 2,202,631</u>	<u>\$ 63,080</u>
 <u>Liabilities</u>				
Interfund payable	\$ -	\$ -	\$ -	\$ -
Payroll withholdings	26,620	976,539	940,079	63,080
Other payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 26,620</u>	<u>\$ 976,539</u>	<u>\$ 940,079</u>	<u>\$ 63,080</u>

LONG-TERM DEBT

The long-term debt is used to record the outstanding principal balances of the long term liabilities of the charter school. This includes the outstanding principal balance on capital lease, the accrued liability for insurance claims and the liability for compensated absences and the outstanding principal balance on certificates of participation outstanding. As of June 30, 2014 there were no activities to be reported in this section.

STATISTICAL SECTION

Englewood on the Palisades Charter School has been in operation for more than ten years. GASB requires that 10 years of statistical data be presented.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

NET ASSETS BY COMPONENT

LAST TEN YEARS

UNAUDITED

(accrual basis of accounting)

Exhibit J-1

Fiscal Year Ending June 30,

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Invested in capital assets, net of related debt	\$ 15,779	\$ 23,738	\$ 16,498	\$ -	\$ 53,710	\$ -	\$ -	\$ -	\$ 14,473	\$ 14,473
Restricted										
Unrestricted	2,479,292	2,653,773	2,701,187	2,583,750	2,700,021	2,461,135	1,899,553	1,253,759	1,034,763	704,338
Total governmental activities net position	<u>\$ 2,495,071</u>	<u>\$ 2,677,511</u>	<u>\$ 2,717,685</u>	<u>\$ 2,583,750</u>	<u>\$ 2,753,731</u>	<u>\$ 2,461,135</u>	<u>\$ 1,899,553</u>	<u>\$ 1,253,759</u>	<u>\$ 1,049,236</u>	<u>\$ 718,811</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4
Restricted										
Unrestricted	21,523	3,000	161	5,194	3,166	800	2,923	102	130	130
Total business-type activities net position	<u>\$ 21,523</u>	<u>\$ 3,000</u>	<u>\$ 161</u>	<u>\$ 5,194</u>	<u>\$ 3,166</u>	<u>\$ 800</u>	<u>\$ 2,923</u>	<u>\$ 102</u>	<u>\$ 130</u>	<u>\$ 134</u>
District-wide										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 53,710	\$ -	\$ -	\$ -	\$ 14,473	\$ 14,473
Restricted										
Unrestricted	2,516,594	2,680,511	2,717,846	2,588,944	2,703,187	2,461,935	1,902,476	1,253,861	1,034,893	704,468
Total district-wide net position	<u>\$ 2,516,594</u>	<u>\$ 2,680,511</u>	<u>\$ 2,717,846</u>	<u>\$ 2,588,944</u>	<u>\$ 2,756,897</u>	<u>\$ 2,461,935</u>	<u>\$ 1,902,476</u>	<u>\$ 1,253,861</u>	<u>\$ 1,049,366</u>	<u>\$ 718,941</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

CHANGES IN NET POSITION
UNAUDITED
LAST TEN YEARS
(accrual basis of accounting)

Exhibit J-2

Fiscal Year Ending June 30,

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities										
Instruction	\$ 1,721,559	\$ 1,437,494	\$ 1,464,319	\$ 1,458,816	\$ 1,458,816	\$ 1,285,686	\$ 1,002,432	\$ 929,827	\$ 903,363	\$ 817,022
Administration	1,122,763	910,936	753,636	792,675	792,675	618,725	579,009	685,346	590,961	542,663
Support Services:	767,207	680,866	766,784	831,689	831,689	715,827	521,124	494,706	451,111	457,707
Capital Outlay	137,225	34,120	50,238	37,801	62,798	58,677	-	-	-	-
	<u>3,748,754</u>	<u>3,063,416</u>	<u>3,034,977</u>	<u>3,120,981</u>	<u>3,145,978</u>	<u>2,678,915</u>	<u>\$ 2,102,565</u>	<u>2,109,879</u>	<u>1,945,435</u>	<u>1,817,392</u>
Total governmental activities expenses										
Business-type activities:										
Food service	63,635	-	-	-	-	-	0	-	-	-
After Child Care	60,439	47,151	45,516	50,423	47,484	60,238	0	-	-	-
Total business-type activities expense	124,074	47,151	45,516	50,423	47,484	60,238	-	-	-	-
Total district expenses	<u>\$ 3,872,828</u>	<u>\$ 3,110,567</u>	<u>\$ 3,080,493</u>	<u>\$ 3,171,404</u>	<u>\$ 3,193,462</u>	<u>\$ 2,739,153</u>	<u>\$ 2,102,565</u>	<u>\$ 2,109,879</u>	<u>\$ 1,945,435</u>	<u>\$ 1,817,392</u>
Program Revenues										
Governmental activities:										
Revenue	\$ -	\$ -	\$ -	\$ 66,784	\$ 66,784	\$ -	0	\$ -	\$ -	\$ -
Operating grants and contributions	148,201	158,614	161,824	171,602	275,424	161,954	165,574	166,400	187,598	211,686
Capital grants and contributions	-	-	-	-	-	-	0	-	-	-
Total governmental activities program revenues	<u>148,201</u>	<u>158,614</u>	<u>161,824</u>	<u>238,386</u>	<u>342,208</u>	<u>161,954</u>	<u>165,574</u>	<u>166,400</u>	<u>187,598</u>	<u>211,686</u>
Business-type activities:										
Charges for services										
Food service	39,641	-	-	-	-	-	-	-	-	-
After care and other services	61,132	49,990	40,483	52,451	49,850	58,115	49,798	(30)	2	6
Operating grants and contributions	41,824	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>142,597</u>	<u>49,990</u>	<u>40,483</u>	<u>52,451</u>	<u>49,850</u>	<u>58,115</u>	<u>49,798</u>	<u>(30)</u>	<u>2</u>	<u>6</u>
Total district program revenues	<u>\$ 290,798</u>	<u>\$ 208,604</u>	<u>\$ 202,307</u>	<u>\$ 290,837</u>	<u>\$ 392,058</u>	<u>\$ 220,069</u>	<u>\$ 215,372</u>	<u>\$ 166,370</u>	<u>\$ 187,600</u>	<u>\$ 211,692</u>
Net (Expense)/Revenue										
Governmental activities	\$ (3,600,553)	\$ (2,904,802)	\$ (2,873,153)	\$ (2,882,595)	\$ (2,803,770)	\$ (2,516,961)	(1,936,991)	\$ (1,943,479)	\$ (2,178,832)	\$ (1,605,706)
Business-type activities	18,523	2,839	(5,033)	2,028	2,366	(2,123)	2	(30)	2	6
Total district-wide net expense	<u>\$ (3,582,030)</u>	<u>\$ (2,901,963)</u>	<u>\$ (2,878,186)</u>	<u>\$ (2,880,567)</u>	<u>\$ (2,801,404)</u>	<u>\$ (2,519,084)</u>	<u>\$ (1,936,989)</u>	<u>\$ (1,943,509)</u>	<u>\$ (2,178,830)</u>	<u>\$ (1,605,700)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
General purposes	2,908,157	2,482,929	2,559,141	2,558,652	2,719,351	2,393,242	1,507,453	1,404,661	1,456,796	1,349,336
Grants and contributions(Federal/state aid)	391,754	293,193	372,774	169,689	168,287	483,378	1,322,745	965,981	854,445	605,265
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	126,161	88,506	58,675	44,408	208,728	201,923	50,065	35,912	7,782	3,923
	<u>3,426,072</u>	<u>2,864,628</u>	<u>2,990,590</u>	<u>2,772,749</u>	<u>3,096,366</u>	<u>3,078,543</u>	<u>2,880,263</u>	<u>2,406,554</u>	<u>2,319,023</u>	<u>1,958,524</u>
Total governmental activities										
Business-type activities:	-	-	-	-	-	-	0	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>\$ 3,426,072</u>	<u>\$ 2,864,628</u>	<u>\$ 2,990,590</u>	<u>\$ 2,772,749</u>	<u>\$ 3,096,366</u>	<u>\$ 3,078,543</u>	<u>\$ 2,880,263</u>	<u>\$ 2,406,554</u>	<u>\$ 2,319,023</u>	<u>\$ 1,958,524</u>
Total Charter -wide										
Change in Net Position	\$ (174,481)	\$ (40,174)	\$ 117,437	\$ (109,846)	\$ 292,596	\$ 561,582	\$ 943,272	\$ 463,075	\$ 140,191	\$ 352,818
Governmental activities	18,523	2,839	(5,033)	2,028	2,366	(2,123)	2	(30)	2	6
Business-type activities	<u>\$ (155,958)</u>	<u>\$ (37,335)</u>	<u>\$ 112,404</u>	<u>\$ (107,818)</u>	<u>\$ 294,962</u>	<u>\$ 559,459</u>	<u>\$ 943,274</u>	<u>\$ 463,045</u>	<u>\$ 140,193</u>	<u>\$ 352,824</u>
Total Charter School										

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

Exhibit J-3

FUND BALANCES-GOVERNMENTAL FUNDS

LAST TEN YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125
Unreserved	2,479,292	2,653,773	2,479,292	2,583,750	2,700,021	2,461,135	1,935,891	1,253,759	1,034,631	704,213
Total general fund	\$ 2,479,292	\$ 2,653,773	\$ 2,479,292	\$ 2,583,750	\$ 2,700,021	\$ 2,461,135	\$ 1,935,891	\$ 1,253,759	\$ 1,034,631	\$ 704,338
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental funds	\$ 2,479,292	\$ 2,653,773	\$ 2,479,292	\$ 2,583,750	\$ 2,700,021	\$ 2,461,135	\$ 1,935,891	\$ 1,253,759	\$ 1,034,631	\$ 704,338

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

Exhibit J-4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

(modified accrual basis of accounting)

UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Local sources	2,908,157	2,482,929	2,559,141	2,563,511	2,719,351	2,393,242	1,507,453	1,682,548	1,456,796	1,349,336
Contribution								475	15,000	10,000
Miscellaneous	406,170	263,940	290,158	229,926	208,728	140,777	190,842	35,570	8,020	3,923
State sources	391,754	293,193	372,774	169,689	168,287	55,814	1,322,745	722,193	928,888	669,613
Federal sources	148,201	158,614	161,824	171,602	275,424	161,954	165,574	165,925	168,360	197,686
Total revenue	3,854,282	3,198,676	3,383,897	3,134,728	3,371,790	2,751,787	3,186,614	2,606,711	2,577,064	2,230,558
Expenditures										
Instruction										
Regular instruction	1,721,559	1,437,494	1,464,319	1,529,885	1,466,510	1,285,686	1,113,998	937,387	1,020,436	957,497
Special education instruction										
Other special instruction								121,191		
Vocational education										
Other instruction								27,351		
Nonpublic school programs										
Adult/continuing education										
Support Services:										
Tuition										
Student & inst. related services										
General administration										
School administrative services	554,599	450,850	753,636	779,949	625,578	569,718	579,009	674,933	590,961	542,663
Central services										
Admin. information technology										
Plant operations and maintenance										
Pupil transportation										
Other Support Services	1,047,216	856,300	766,784	712,987	810,733	618,725	575,132	505,396	521,636	528,918
Employee benefits	568,164	460,086	231,483	190,377	167,285	146,109	140,777	70,378	70,443	60,348
Capital outlay	137,225	41,360	50,238	37,801	62,798	58,677	95,566	78,837	41,881	114,258
Debt service:										
Principal										
Interest and other charges										
Total expenditures	4,028,763	3,246,090	3,266,460	3,250,999	3,132,904	2,678,915	2,504,482	2,415,473	2,245,357	2,203,684
Excess (Deficiency) of revenues over (under) expenditures	(174,481)	(47,414)	117,437	(116,271)	238,886	72,872	682,132	191,238	331,707	26,874
Other Financing sources (uses)										
Proceeds from borrowing										
Capital leases (non-budgeted)										
Proceeds from refunding										
Payments to escrow agent										
Transfers in										
Transfers out										
Total other financing sources (uses)	0	0	0	0	0	0	0	0	0	0
Net change in fund balances	\$ (174,481)	\$ (47,414)	\$ 117,437	\$ (116,271)	\$ 238,886	\$ 72,872	\$ 682,132	\$ 191,238	\$ 331,707	\$ 26,874

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

Exhibit J-16

FULL TIME EQUIVALENT CHARTER SCHOOL EMPLOYEES BY FUNCTION/PROGRAM LAST TEN YEARS (modified accrual basis of accounting)

UNAUDITED

Function/Program	GRADE 4-6									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction										
Regular	12	12	12	12	12	12	15	15	16	16
Special education	1	1	1	1	1	1	1	1	1	1
Other special education										
Vocational										
Other instruction	6	6	6	6	6	4	4	4	4	5
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services										
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	1	1	1	1	1	1	1	1	1	1
Other administrative services										
Central services										
Administrative Information Technology	1									
Plant operations and maintenance	1	1	1	1	1	1	1	1	2	3
Pupil transportation										
Other support services	1	1	1	1	1	1	1	1	1	1
Special Schools	2	2	2	2	2	2	2	2	-	-
Food Service										
Child Care	1									
Total	27	25	25	25	25	23	26	26	26	28

Source: District Personnel Records

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

OPERATING STATISTICS

LAST TEN YEARS

UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						K	ELEMENTARY	GRADE 4-6				
2005	192	1,089,426	5,674	-44.00%	-	2	6	6	188.2	184.4	-1.07%	98.00%
2006	182	2,126,167	11,682	105.89%	-	2	6	6	178.4	174.8	-5.21%	98.00%
2007	183	2,099,820	11,474	-1.78%	-	2	6	6	179.6	172	0.70%	95.49%
2008	175	2,504,482	14,311	24.72%	-	2	6	6	177.6	170	-1.11%	95.55%
2009	182	2,516,961	13,829	-3.37%	-	2	6	6	182	178.4	2.48%	98.00%
2010	199	2,650,091	13,317	-3.71%	-	2	6	4	199	191.0	9.34%	96.00%
2011	196	3,060,622	15,615	17.26%	-	2	6	4	196.0	186.2	-1.51%	96.00%
2012	181	3,266,460	18,047	15.57%	-	2	6	4	185.6	178.2	-5.31%	96.01%
2013	178	3,246,090	18,236	1.05%	-	2	6	4	174.4	171.0	-6.01%	98.00%
2014	196	4,028,763	20,555	12.71%	-	2	6	4	192.1	188.2	10.11%	98.00%

Note: Enrollment based on annual October district count.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

Exhibit J-18

SCHOOL BUILDING INFORMATION

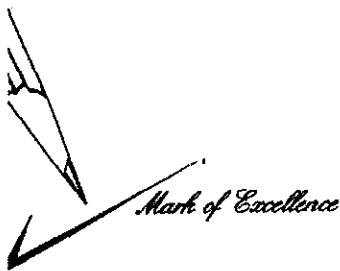
LAST TEN YEARS
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Charter School Building</u>										
Square Feet	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500
Building Capacity for students	225	225	225	225	225	225	225	225	225	225
Enrollment:										
Kindergarten	32	29	30	33	33	36	28	27	27	27
Grade 1	36	33	33	34	36	31	29	27	27	29
Grade 2	36	32	32	35	34	33	28	28	28	30
Grade 3	35	27	28	30	33	28	28	29	29	29
Grade 4	29	32	33	36	33	30	20	24	24	25
Grade 5	26	25	25	28	30	24	25	24	24	23
	-	-	-	-	-	-	17	23	23	29
Total students	196	178	181	196	199	182	175	182	182	192

**2013-14 SCHEDULE OF INSURANCE
FOR
ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

COVERAGE	LIMITS	SUMMARY
Package NJSBAIG P831 09/08/13-14 \$9,004	Covered Location	65 West Demarest Avenue, Englewood, NJ 07631
Property	\$390,000 \$120,000 \$225,000	Contents –All Risk w/ \$1,000 Deductible Loss of Business Income/Tuition Limit Electronic Data Processing w/ \$1,000 Deductible
Crime	\$25,000 \$25,000 \$5,000 \$5,000	Faithful Performance w/ \$500 Deductible Forgery & Alteration w/ \$500 Deductible Money & Securities w/ \$500 Deductible Money Order/Counterfeit w/ \$500 Deductible
	\$137,000 \$137,000	Board Treasurer/SBA w/ \$1,000 Deductible (A. Barckett) Principal w/ \$1,000 Deductible (S. Burns)
General Liability	\$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000 \$10,000	Single Limit for Bodily Injury and Property Damage Products/Completed Operations Aggregate Sexual Abuse per Occurrence Each Occurrence for Personal Injury/Advertising Injury Each Claim for Employee Benefits Liability w/ \$1,000 Deductible Premise Medical Payments Per Person Premise Medical Payments Per Accident
Automobile Liability	\$5,000,000	Hired and Non Owned
Student Accident Markel Insurance Company PA11L00490423 003 09/08/13-14 \$1,501	\$5,000,000 \$10,000	Accident Medical Excess Benefit (Gold Plan) AD&D
School Leaders E&O NJSBAIG E831 09/08/13-14 \$4,321	\$1,000,000 \$100,000 \$300,000	Coverage A Each Loss w/ \$5,000 Deductible Coverage B Each Loss w/ \$5,000 Deductible Coverage B Annual Aggregate
Workers' Compensation NJSBAIG W831 09/08/13-14 \$41,605 \$1,905,732 School Professional \$108,417 School Non-Professional 0.8458 MOD)	\$1,000,000 \$1,000,000 \$1,000,000	Each Accident Each Employee Policy Limit
Supplemental Indemnity National Union 6477-57-74 09/08/13-14 \$628	Statutory	7-Day Waiting Period

SINGLE AUDIT SECTION



ILORI CPA LLC
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EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable President and
Members of the Board of Trustees
Englewood on the Palisades Charter School, Inc.
Bergen County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Englewood on the Palisades Charter School, Inc., in the County of Bergen, State of New Jersey(Charter School) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Charter School's basic financial statements, and have issued our report thereon dated November 18, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Charter School, Inc's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Charter School, Inc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the school's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Internal Control Over Financial Reporting - Continued

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by Division of Finance and regulatory compliance, Department of Education, State of New Jersey.

Purpose of this Report

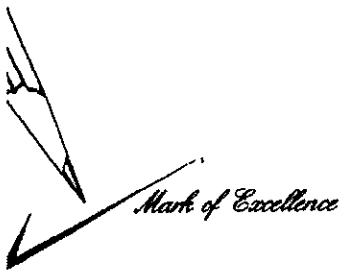
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ILORI CPA LLC

Kunle ilori

Kunle B. Ilori, CPA
Licensed Public School Accountant
No. 20CS00233100

November 18, 2014



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EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and
Members of the Board of Trustees
Englewood on the Palisades Charter School, Inc.
Bergen County, New Jersey

Report on Compliance for Each Major Federal and State Programs

We have audited Englewood on the Palisades Charter School, Inc., in the county of Bergen, State of New Jersey (the "Charter School"),'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *New Jersey OMB Circular 04-04* that could have a direct and material effect on each of Charter school's major federal programs for the year ended June 30, 2014. The Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Charter School's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. . Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Charter School's compliance.

Opinion on Each Major Federal and State Programs

In our opinion, Charter School, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Charter School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Ilori CPA LLC

Kunle Ilori

Kunle B. Ilori, CPA

Licensed Public School Accountant

No. 20CS00233100

November 18, 2014

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
(BERGEN COUNTY)

EXHIBIT K-3
SCHEDULE A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2014

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	Federal CFDA No.	Grant or State Project No.	Program Name	Program or Award Amount	Grant Period	Balance 06/30/13	Carryover (Walkover) Over Amount	Cash Received	Budgetary Expenditures	Adjustment	(Accts. Rec.) Def. Rev 06/30/14	Due to Grantor 06/30/14
U.S. Department of Education Passed-through State Dept. of Education:												
Title I-Grants to Local Educational Agencies	84.010A		Title I	\$ 101,937	9/1/13-8/31/14	\$ -	\$ -	\$ 101,937	\$ 101,937	\$ -	\$ -	\$ -
Title II Part A Improving Teachers Quality State Grant	84.367A		Title IIA	9,878	9/1/13-8/31/14	-	-	9,878	9,878	-	\$ -	-
IDEA - Individuals with Disabilities Education Act	84.027		IDEA	36,386	9/1/13-8/31/14			36,386	36,386		\$ -	-
National School Lunch Program	10.555		Food	41,824	7/1/13-6/30/14			41,824	41,824			
Total U. S. Dept. of Education				\$ 190,025		\$ -	\$ -	\$ 190,025	\$ 190,025	\$ -	\$ -	\$ -

See accompanying Notes to Schedules of Expenditures of Federal Awards

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
(BERGEN COUNTY)

EXHIBIT K-4
SCHEDULE B

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2014

STATE GRANTOR/ PROGRAM TITLE	Grant or State Project No.	Program or Award Amount	Grant Period	(Accts. Rec.) Def. Rev June 30, 2013	Carryover (Walkover) Over Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment or Prior Year's Balance	(Accts. Rec.) Def. Rev June 30, 2014	Due to Grantor June 30, 2014
State Department of Education General Fund:											
Equalization Aid	14-495-034-5120-078	\$ 2,908,157	7/1/13-6/30/14	\$ 34,064	\$ -	\$ 2,859,864	2,942,221		\$ -	82,357	-
Security Aid	14-495-034-5120-084	60,980	7/1/13-6/30/14	-	-	60,980	60,980		-	-	-
Special Education	14-495-034-5120-089	50,142	7/1/13-6/30/14	-	-	50,142	50,142		-	-	-
State Adjustment Aid	14-495-034-5120-085	280,632	7/1/13-6/30/14	-	-	280,632	280,632		-	-	-
On-behalf payments-TPAF	14-495-034-5095-007	129,315	7/1/13-6/30/14	-	-	129,315	129,315		-	-	-
TPAF- Social Security	14-495-034-5095-006	150,694	7/1/13-6/30/14	-	-	150,694	150,694		-	-	-
Total State Financial Assistance		3,579,920		34,064	-	3,531,627	3,613,984		-	82,357	-

Total expenditures general

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award programs of the Board of Trustees, Englewood on the Palisades Charter School. The Board of Trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the modified accrual basis of accounting with the exception of those recorded in the special revenue, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation, of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for general fund and special revenue fund to demonstrate finance related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until subsequent year or expenditures have been made.

The general fund is presented in the accompanying schedule on the modified basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from budgetary basis to GAAP basis is \$0 for general fund and \$0 for special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS- CONTINUED

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 2,908,157	\$ 2,908,157
Special Revenue Fund	148,201	-	148,201
Enterprise Fund	<u>39,805</u>	<u>2,019</u>	<u>41,824</u>
Total	<u>\$ 188,006</u>	<u>\$ 2,910,176</u>	<u>\$ 3,098,182</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenue and expenditures reported under the Food distribution program represent current year value received and current year distributions respectively. The amount reported as TPAF represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

NOTE 6. SCHOOL WIDE PROGRAM FUNDS

School-wide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in school wide programs are included in the total expenditures of the program contributing the funds in the schedule of expenditures of federal and state awards. The following funds by programs are included in school-wide programs in the charter school financials.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
(BERGEN COUNTY)**

EXHIBIT K-5

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 6. SCHOOL WIDE PROGRAM FUNDS-CONTINUED

Program

Title, PartA: Improving basic Programs operated by local education agency	\$ 101,937
Title 11, PartA: Teacher and Principal Training Recurring	9,878
Title 11, PartD: Enhacing Education Through Tecnology	0
Title, PartA: Safe and Drug -Free Schools and Communties	0
IDEA PartB	36,386
	<u>\$ 148,201</u>

SCHEDULES OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ✓ No
- Reportable condition(s) identified that are not considered to be material weakness(es)? Reported Yes ✓ None reported

Noncompliance material to financial statements noted? Yes ✓ No

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ✓ Yes No

Type of auditor's report issued on compliance for major program Unmodified

Internal control over major programs:

- Material weakness(es) identified? Yes ✓ No
- Reportable condition(s) identified that are not considered to be material weakness(es)? ✓ None reported

SCHEDULES OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

State Awards

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with NJOMB Circular Letter 04-04

_____ Yes ☒ No

Identification of Major Programs

State Grant/Project Numbers

Name of State Programs

14-495-034-5120-078
14-495-034-5120-068

Equalization Aid
State Aid

SECTION II - FINANCIAL STATEMENT FINDING

Current Year

None

Prior Year

None

**SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND
QUESTIONED COSTS**

Current Year

None

Prior Year

None

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
(BERGEN COUNTY)**

EXHIBIT K-7

**SUMMARY SCHEDULE OF PRIOR YEAR
AUDIT FINDINGS AND QUESTIONED COSTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

None